



FIRST REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 October 2006 (as amended))

DISCLOSURE PURSUANT TO RULE 704(31) OF THE LISTING MANUAL OF SGX-ST

Pursuant to Rule 704(31) of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), Bowsprit Capital Corporation Limited (“**Bowsprit**”), as manager of First Real Estate Investment Trust (“**First REIT**”), wishes to announce that certain of the existing loan agreements of First REIT and/or its subsidiaries (collectively referred to as the “**Loan Agreements**”) contain conditions:

- (i) which refer to the unitholding interests of the controlling unitholder of and/or restricts the change in control of First REIT; and/or
- (ii) which are tied to the change of Bowsprit as manager of First REIT, (collectively referred to as the “**Covenants**”).

Please refer to the Appendix to this Announcement for further details.

As at the date of this Announcement, there has been no breach of any of the Covenants.

BY ORDER OF THE BOARD
Bowsprit Capital Corporation Limited
(Company Registration No: 200607070D)
As manager of First Real Estate Investment Trust

Dr Ronnie Tan Keh Poo
Chief Executive Officer
Bowsprit Capital Corporation Limited
(as manager of First Real Estate Investment Trust)
(Company registration no. 200607070D)

27 October 2011

Important Notice

The value of units in First REIT (“**Units**”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Bowsprit Capital Corporation Limited, as manager of First REIT (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of First REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

1. Controlling Unitholder

The controlling unitholder of First REIT referred to in the Covenants is PT Lippo Karawaci Tbk (“PT Lippo”).

As at 27 October 2011, PT Lippo through its wholly-owned subsidiary, Bridgewater International Ltd and its interest in Bowsprit, holds an aggregate indirect interest of approximately 22.43% of Units.

Bowsprit is 80% owned by LK Reit Management Ltd, which is an indirect wholly-owned subsidiary of PT Lippo. Bowsprit is therefore an indirect subsidiary of PT Lippo.

2. Details of Covenants

Generally, the respective Loan Agreements contain one or both of the following Covenants:

- (a) PT Lippo shall own (whether directly or indirectly) at least 20 percent of all issued Units; and
- (b) Bowsprit shall remain as the manager of all First REIT’s assets and properties unless the Lender¹ otherwise consents.

3. Aggregate level of Loan Agreements and other borrowings of First REIT and/or its subsidiaries that might be affected by a breach of the Covenants

If any of the above Covenants is breached, it may cause a default in the relevant Loan Agreement and may also trigger cross defaults of other borrowings of First REIT and/or its subsidiaries. In such an event, the aggregate level of the Loan Agreements and other borrowings of First REIT and/or its subsidiaries which are outstanding and which may be affected by such breach would be about S\$98.6 million (excluding interest) as at 30 September 2011.

1 “Lender” means Oversea-Chinese Banking Corporation Limited.